



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.96 rupees, yielding 6.68%, versus 98.36 rupees and a yield of 6.77% on Friday.
- ❖ The 10-year U.S. Treasury yield jumped to 1.90% for the first time in over two years, but eased from those levels and was at 1.79%, up 27 basis points in January. This is the biggest monthly rise for the 10-year yield since March 2021.
- ❖ Meanwhile, oil prices continue to rise, with the benchmark Brent crude contract trading at its highest level in over seven years, amid supply concerns as well as geopolitical tensions between Russia and Ukraine and in the Middle East. The contract was trading at \$90.90 per barrel, up 17% in January, its biggest monthly up move since February 2021.
- ❖ Meanwhile, the annual Economic Survey today forecast growth in the next fiscal year starting Apr. 1 to range between 8% and 8.5%. The annual economic report, which is typically prepared by the chief economic adviser to the federal finance ministry, was submitted in parliament today. The latest forecast indicates a modest deceleration in growth from this year's projected 9.2% annual expansion rate, a reading amplified due to the comparison with a 7.3% contraction in the last financial year.
- ❖ Finance Minister Nirmala Sitharaman will unveil the federal budget for the fiscal year tomorrow and is expected to announce measures to boost the ongoing economic recovery and focus on gradual fiscal consolidation.
- ❖ India's government bought back sovereign and so-called special oil bonds totalling 1.197 trillion rupees from the central bank on Jan. 28, while issuing federal notes, the Reserve Bank of India said earlier today. The government bought back its debt worth 909.8 billion rupees and another 287.2 billion rupees of special oil bonds.
- ❖ The rupee ended at 74.61 per dollar, compared with 75.04 on Friday, tracking a recovery in regional equities and on likely investment flows from Google in Bharti Airtel.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.22% vs 3.60% as on previous day while that in the TREP segment decreased to 3.17 % vs 3.44 % as on previous day.

Market Observations

G-sec

- Market players now await the borrowing numbers and fiscal glide path to be unveiled in tomorrow's budget for cues.
- Mutual funds and foreign banks have been actively buying bonds in the 3-5 year segment as there is a belief that policy normalization is factored in.

Corporate Bonds

- In the near term, shorter tenors are expected to gain traction (3-5 year). US Fed hike expectation and soaring crude oil prices are a concern going forward.
- Yields were lower midday following the Govt's debt switch with the central bank.

CP

- Demand was seen across all segments.

CD

- Shorter maturity segments of 1 month seen a 5 BPS decline prior to budget announcements. Amidst government spending and monthly inflows scheduled this week, we should see reversal of banking system liquidity to INR6 trillion.

GOI Yield	31-Jan	28-Jan	24-Jan	3-Jan
1 Year	4.480	4.500	4.470	4.250
5 Year	6.030	6.120	6.072	5.793
10 Year	6.684	6.753	6.659	6.460

AAA Bmk	31-Jan	28-Jan	24-Jan	3-Jan
1 Year	4.80	4.80	4.80	4.75
5 Year	6.30	6.30	6.25	6.20
10 Year	7.12	7.17	7.10	6.92

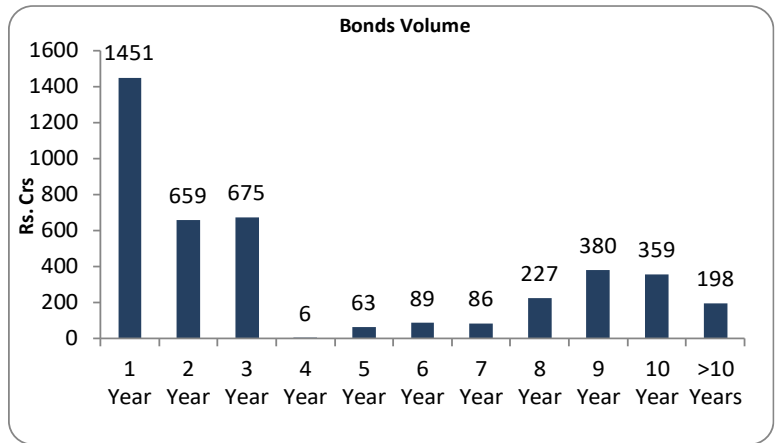
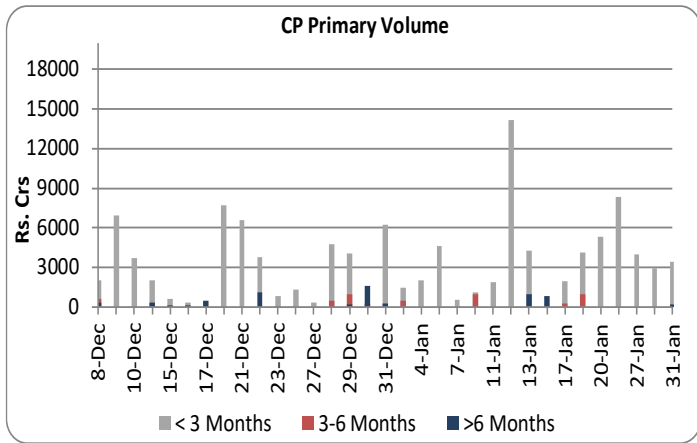
CD	31-Jan	28-Jan	24-Jan	3-Jan
3 Month	3.95	3.95	3.80	3.55
6 Month	4.15	4.15	4.00	4.00
1 Year	4.80	4.80	4.65	4.55

CP	31-Jan	28-Jan	24-Jan	3-Jan
3 Month	4.22	4.22	4.07	3.90
6 Month	4.82	4.82	4.67	4.50
1 Year	5.23	5.23	5.08	4.95

OIS Rate	31-Jan	28-Jan	24-Jan	3-Jan
1 Year	4.49	4.49	4.43	4.36
2 Year	5.05	5.05	4.96	4.87
3 Year	5.39	5.38	5.28	5.18
5 Year	5.70	5.70	5.61	5.41

	31-Jan	28-Jan	24-Jan	3-Jan
Sensex	58,014	57,200	57,492	59,183
Nifty	17,340	17,102	17,149	17,626
USD/INR	74.61	75.04	74.56	74.26
Gold (USD)	1,790	1,791	1,843	1,801
Oil (USD)	91.06	90.03	86.27	78.98

NDF	31-Jan	28-Jan	24-Jan	3-Jan
3 Month	75.64	75.93	75.20	75.19
1 Year	78.09	78.45	77.93	77.75
2 Year	81.62	81.77	81.26	81.29
3 Year	84.72	85.62	85.33	85.04



5.15 GOI 2025 | 2195 | #N/A | 5.85 | #N/A

5.65

10 Year Benchmarks	31-Jan	28-Jan	24-Jan	3-Jan
India	6.69	6.77	6.65	6.46
US	1.81	1.78	1.78	1.64
South Korea	2.59	2.59	2.54	2.32
Russia	9.46	9.51	9.75	8.36
Brazil	11.47	11.47	11.54	11.05
Germany	0.02	-0.05	-0.10	-0.12
China	2.72	2.72	2.69	2.78

Top Traded Securities	Volume	31-Jan	28-Jan	24-Jan	3-Jan
5.15 GOI 2025	2,195	#N/A	5.85	#N/A	5.65
5.63 GOI 2026	570	5.89	5.98	5.94	5.79
5.74 GOI 2026	10,505	6.03	6.12	6.07	5.87
6.10 GOI 2031	-	6.68	6.75	6.66	6.46
6.64 GOI 2035	-	7.11	7.18	7.11	6.92
6.67 GOI 2035	55	7.11	7.18	7.11	6.92

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
25-Jan-22	7069	3761	3309

EQUITY		
Gross Purchase	Gross Sales	Net Investment
5910	5832	78

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12980	9593	3387

DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
31-Jan-22	1126	206	921

EQUITY		
Gross Purchase	Gross Sales	Net Investment
8192	13253	-5061

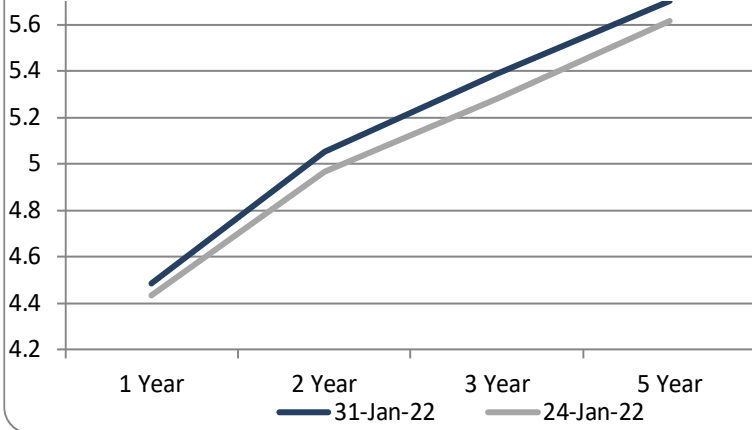
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
9319	13459	-4140

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-21	8.4	20.1
CAD (\$ Bn)	Sep-21	-9.6	6.6
Trade Deficit (\$ Bn)	Sep-21	-44.4	-30.7
WPI (%)	Dec-21	13.6	14.2
CPI (%)	Dec-21	5.6	4.9
IIP (%)	Nov-21	1.4	3.2
PMI Manufacturing	Dec-21	55.5	57.6
PMI Service	Dec-21	55.5	58.1

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	01-Feb-22	2.80	2.80
Industrial Output	Brazil	01-Feb-22	(6.00)	(4.40)
Bank Rate	UK	03-Feb-22	0.50	0.25
CPI	Phillippines	03-Feb-22	3.10	3.60
Unemployment Rate	US	04-Feb-22	3.90	3.90
Repo	India	09-Feb-22	-	4.00
Reverse Repo	India	09-Feb-22	-	3.35
CRR	India	09-Feb-22	-	4.00



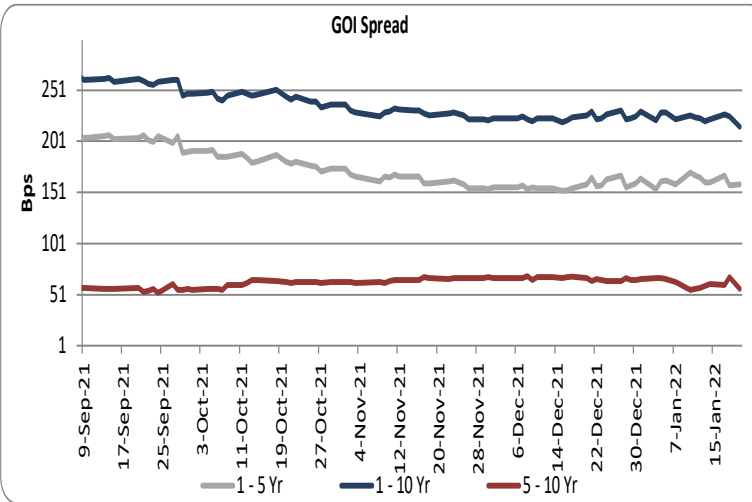
OIS Curve



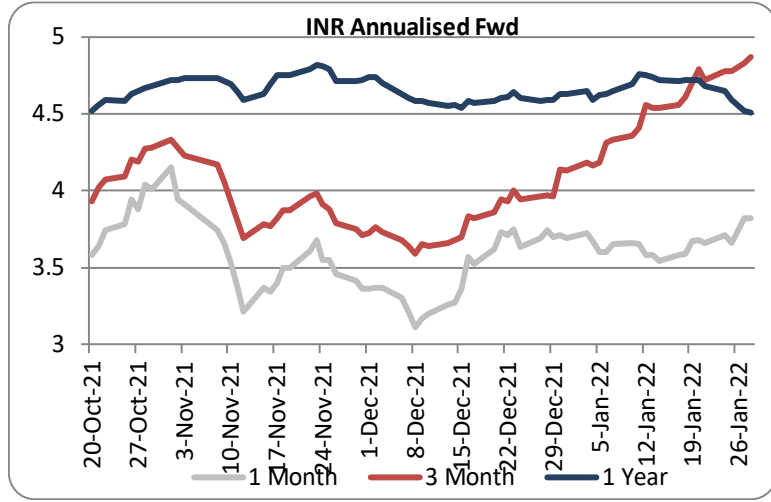
USD/INR



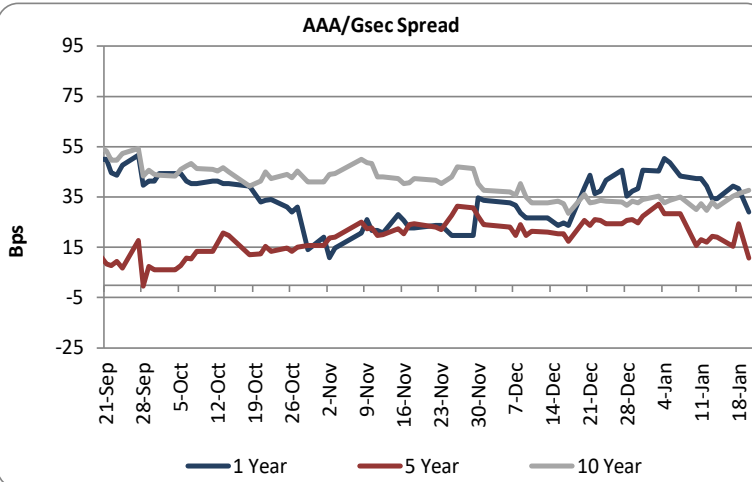
GOI Spread



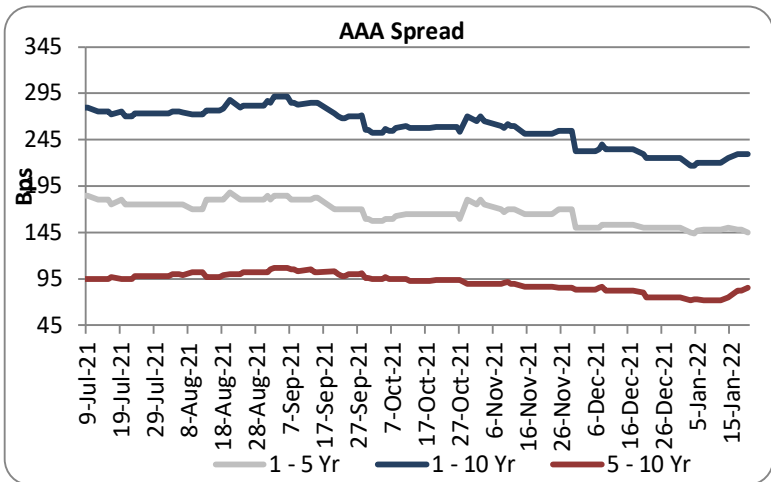
INR Annualised Fwd

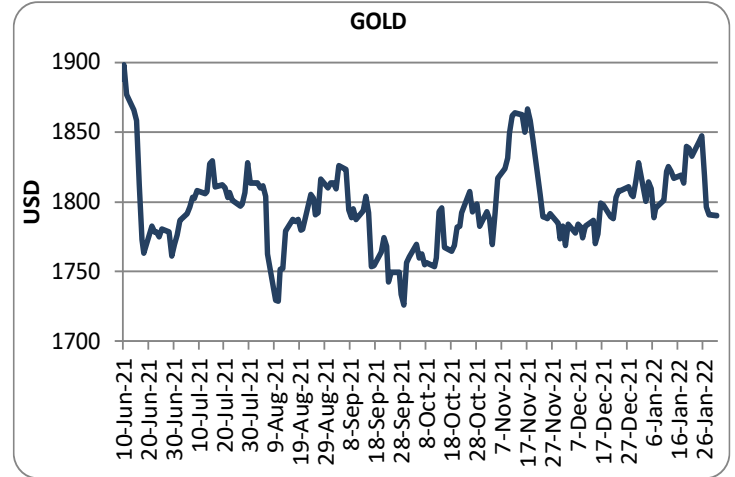
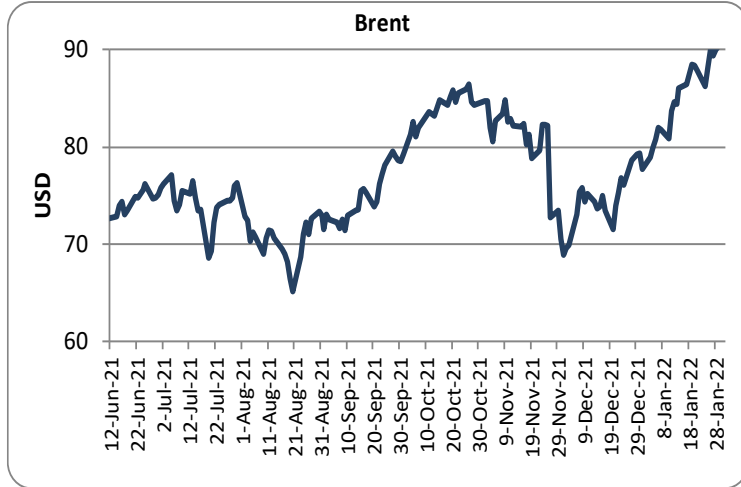


AAA/Gsec Spread



AAA Spread





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

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